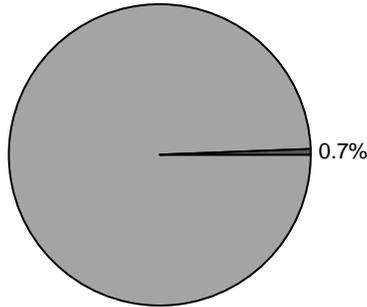


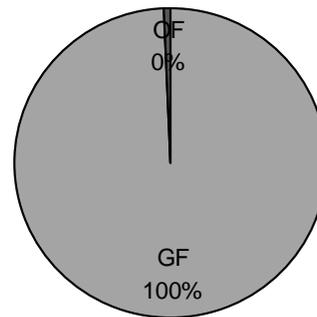
FY2007 Budget Briefing

The Legislature

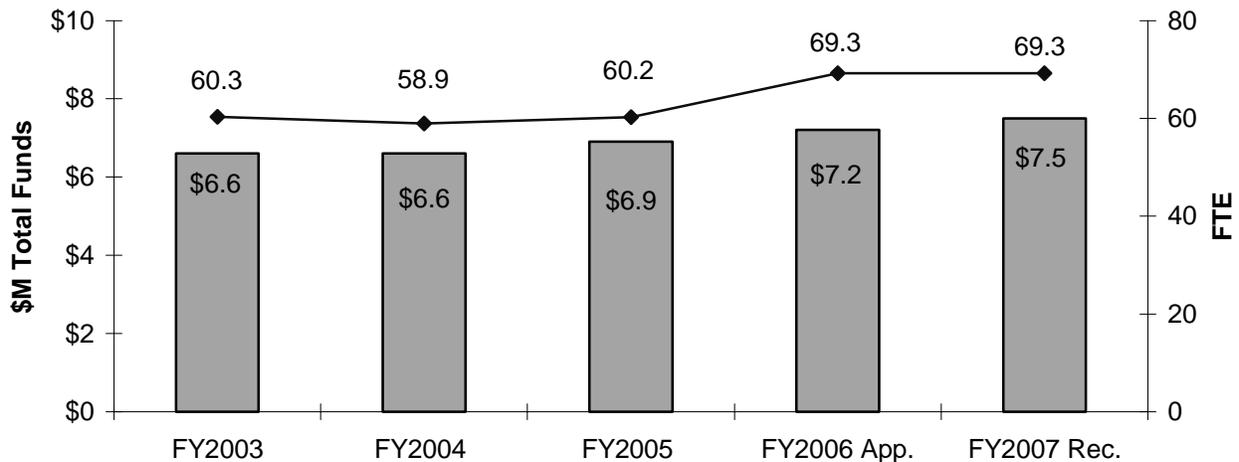
Agency's Share of Total Budgeted State General Fund FY2007



Agency's Funding Source Split FY2007 Budgeted



Budget History



Key Responsibilities

- Established by Article III of the State Constitution, the Legislature represents the people of South Dakota.
- It promotes and protects the general welfare by: (1) establishing state policy through the consideration and passage of legislation, and (2) overseeing the rest of state government.
- The Legislature is staffed by two service agencies: the Legislative Research Council which analyzes state policy and drafts legislation and the Department of Legislative Audit which performs financial post-audits.

Legislative Branch Total

The legislative budget is funded primarily from the State General Fund; less than 0.5% of the recommended budget comes from other funds. For FY2007, the legislative agencies request, as approved by the LRC Executive Board, \$7,341,975 (\$7,306,975 from the State General Fund) and 69.3 FTEs. This is an increase of \$190,889 (2.7%) from FY2006. The Governor recommends \$7,469,903 (\$7,434,903 from the State General Fund) and 69.3 FTEs. This is an increase of \$318,817 (4.5%) from FY2006 and an increase of \$127,928 (1.7%) from the legislative agencies' request.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	4,489,065	4,973,372	5,050,856	5,191,683	218,311	4.4%
Travel	1,114,902	829,903	909,097	909,097	79,194	9.5%
Contractual Services	953,366	1,066,377	1,063,458	1,045,559	(20,818)	-2.0%
Supplies and Materials	153,322	252,996	250,496	250,496	(2,500)	-1.0%
Grants & Subsidies	-	-	-	5,000	5,000	n / a
Capital Outlay	193,396	28,438	68,068	68,068	39,630	139.4%
TOTAL	6,904,051	7,151,086	7,341,975	7,469,903	318,817	4.5%
Funding Sources:						
General Funds	6,887,639	7,116,086	7,306,975	7,434,903	318,817	4.5%
Other Funds	16,412	35,000	35,000	35,000	-	0.0%
TOTAL	6,904,051	7,151,086	7,341,975	7,469,903	318,817	4.5%
FTE	60.2	69.3	69.3	69.3	-	0.0%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	-	-	-	-
3% Across-the-Board	123,221	-	-	123,221
Health Insurance	17,606	-	-	17,606
Total	140,827	-	-	140,827

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Legislative Research Council						
A. 40 Day Session / Inflation	112,205	112,205	0.0	112,205	112,205	0.0
B. International Legislative Forum	-	-	0.0	5,000	5,000	0.0
LRC Subtotal	112,205	112,205	0.0	117,205	117,205	0.0
Department of Legislative Audit						
C. Salary Enhancement	37,223	37,223	0.0	37,223	37,223	0.0
D. Computer Hardware	39,630	39,630	0.0	39,630	39,630	0.0
DLA Subtotal	76,853	76,853	0.0	76,853	76,853	0.0
Total Change	189,058	189,058	0.0	194,058	194,058	0.0

Legislative Research Council

- A. The agency requests an additional \$112,205 from the State General Fund. This increase will be primarily for additional salaries and wages (\$40,261) and travel (\$69,919) due to the 2007 Session which will be 40 legislative days. Also included is an inflationary increase of \$2,025 due to interim committees and motel reimbursement rates. The Governor concurs.
- B. The Governor also recommends \$5,000 from the State General Fund for grants and subsidies. According to the agency, this amount is one half of the \$10,000 needed to sponsor an international legislative forum for the states of South Dakota, North Dakota, Minnesota, and the Canadian province of Manitoba. The remaining \$5,000 may be found in the budget recommended for the Governor's Office. Some executive agency personnel may also attend this forum.

Department of Legislative Audit

- C. The Auditor General requests an increase of \$37,223 from the State General Fund. This is for salary promotions and step movement (\$29,420) and related benefits (\$7,803). The Governor concurs.
- D. The Auditor General requests an additional \$39,630 from the State General Fund for 24 laptop computers (\$35,398); according to the agency, these computers will be 4 years old at the start of FY2007. The enhancement also includes \$4,992 for 24 portable ink jet printers. The Governor concurs.

Legislative Research Council

Created by chapter 2-9, the members of the Senate and the House of Representatives comprise the membership of the Legislative Research Council (LRC). The 15 member Executive Board appoints the director who hires all other LRC employees. Through the LRC, legislative policies are analyzed, and legislation is drafted. The Office of Code Counsel is also organized within the LRC. The Code Counsel assists the Code Commission in the revision and publication of the South Dakota Codified Laws; the Counsel also staffs the Rules Review Committee.

The agency requests \$4,631,495 which includes \$4,596,495 from the State General Fund and \$35,000 other funds. This is an increase of \$121,541 (2.7%) from FY2006. The agency also requests 33.3 FTEs. The Governor recommends \$4,618,596 (\$4,583,596 from the State General Fund) and 33.3 FTEs. This is an increase of \$108,596 (2.4%) from FY2006 and a decrease of \$12,899 (0.3%) from the agency's request.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	2,357,879	2,685,964	2,726,225	2,726,225	40,261	1.5%
Travel	1,011,680	720,364	792,308	792,308	71,944	10.0%
Contractual Services	806,676	877,542	886,878	868,979	(8,563)	-1.0%
Supplies and Materials	124,904	214,496	214,496	214,496	-	0.0%
Grants and Supplies	-	-	-	5,000	5,000	n / a
Capital Outlay	185,897	11,588	11,588	11,588	-	0.0%
TOTAL	4,487,036	4,509,954	4,631,495	4,618,596	108,642	2.4%
Funding Sources:						
General Funds	4,470,622	4,474,954	4,596,495	4,583,596	108,642	2.4%
Other Funds	16,414	35,000	35,000	35,000	-	0.0%
TOTAL	4,487,036	4,509,954	4,631,495	4,618,596	108,642	2.4%
FTE	26.4	33.3	33.3	33.3	-	0.0%

Revenues

Other Fund Revenue Sources

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change</u> <u>From</u> <u>FY2004</u>
Document Room Revenue	\$10,028	\$9,064	\$9,064	\$9,064	-9.6%
Room & Computer Charges	6,550	7,350	7,350	7,350	12.2%
Subscription to SD Register	760	660	660	660	-13.2%
Total	\$17,338	\$17,074	\$17,074	\$17,074	-1.5%

The agency requests an additional \$112,205 from the State General Fund. This increase will be primarily for additional salaries and wages (\$40,261) and travel (\$69,919) due to the 2007 Session which will be 40 legislative days. Also included is an inflationary increase of \$2,025 due to interim committees and motel reimbursement rates. The Governor concurs.

The Governor also recommends \$5,000 from the State General Fund for grants and subsidies.

Legislative Employee Compensation and Health Insurance

The Governor recommends \$140,827 from the State General Fund for a FY2007 salary package of 2.5% step movement, a 3% across-the-board increase, and an increase in the employer paid portion of the state health insurance plan. .

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	-	-	-	140,827	140,827	n / a
Funding Sources:						
General Funds	-	-	-	140,827	140,827	n / a

Department of Legislative Audit

The Department of Legislative Audit, headed by the Auditor General, serves the Legislature and the people of the state by providing independent audits and assistance to enhance public accountability by improving the capability of reports and strengthening the operational controls of the state and local governments. In addition to its main office in Pierre, Legislative Audit has field staff in Aberdeen, Huron, Lead, Mitchell, Parker, Rapid City, Sioux Falls, Wallace, and Wentworth; the field staff manager is located in Brookings.

The agency requests \$2,710,480 from the State General Fund. This is an increase of \$69,348 (2.6%) from FY2006. The agency also requests 36.0 FTEs. The Governor concurs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	2,131,186	2,287,408	2,324,631	2,324,631	37,223	1.6%
Travel	103,222	109,539	116,789	116,789	7,250	6.6%
Contractual Services	146,690	188,835	176,580	176,580	(12,255)	-6.5%
Supplies and Materials	28,418	38,500	36,000	36,000	(2,500)	-6.5%
Capital Outlay	7,499	16,850	56,480	56,480	39,630	235.2%
TOTAL	2,417,015	2,641,132	2,710,480	2,710,480	69,348	2.6%
Funding Sources:						
General Funds	2,417,015	2,641,132	2,710,480	2,710,480	69,348	2.6%
FTE	33.8	36.0	36.0	36.0	-	0.0%

Revenues

Other Fund Revenue Sources

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	% Change From <u>FY2004</u>
Audit Service Charges	\$1,104,357	\$1,239,883	\$1,231,000	\$1,308,000	18.4%
Other	11,368	22,165	8,698	10,000	-12.0%
Total	\$1,115,725	\$1,262,048	\$1,239,698	\$1,318,000	18.1%

The Auditor General requests \$2,324,631 from the State General Fund for salaries and wages. This is an increase of \$37,223 (1.6%) from FY2006. This increase is for salary promotions and step movement (\$29,420) and related benefits (\$7,803). The Governor concurs.

The Auditor General requests \$56,480 from the State General Fund for capital outlay. This is an increase of \$39,630 (235.2%) from FY2006. The agency plans to use its capital outlay budget to replace:

- 24 laptop computers (\$35,398); according to the agency, these computers will be 4 years old at the start of FY2007;
- 24 portable ink jet printers (\$4,992);
- token-ring local area network (LAN) with an Ethernet LAN (\$12,000); and
- laser printer in the event of a failure (\$3,090).

The Governor concurs.

Selected Performance Indicators

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>
Fiscal and Compliance Audits:				
State Agencies	9	9	9	9
Political Subdivisions	53	59	49	49
Nonrecurring Audits or Reviews	8	2	5	5
Internal Control Reviews	13	3	15	15
Independent Public Accountant Reports Reviewed	308	271	300	300

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.